

EXHIBIT 512

From: Napoli, Thomas
Sent: Thursday, February 19, 2015 11:50 AM
To: Climaco, Junnelou
Subject: Supporting Docs
Attachments: Actavis SOM Cloud Services Proposal 6 26 14.pdf; SOMProjectJust2.19.15.docx

Hi Junn,
Please find attached documentation that you may find useful in regards to the SOM automation project.
Regards
Tom

BuzzeoPDMA

A Cegedim Company

Via Email: tom.napoli@watson.com

June 26, 2014

Tom Napoli
Associate Director, Controlled Substance Compliance
Watson Pharma, Inc.
Morris Corporate Center
400 Interpace Parkway
Parsippany, NJ 07054

Subject: Suspicious Order Monitor (SOM) Cloud Services

Dear Mr. Napoli:

Per our communication, I am providing you with our proposal for Suspicious Order Monitor (SOM) Services. Should you require information or pricing on any of our other services, please do not hesitate to contact me.

Executive Summary

BuzzeoPDMA LLC, A Cegedim Company, was founded in January 1991 and is the recognized industry leader in assisting companies to comply with the policies of the Food and Drug Administration (FDA), the requirements of the Prescription Drug Marketing Act (PDMA), the policies of the Drug Enforcement Administration (DEA), the requirements of the Controlled Substances Act (CSA), the implementing regulations, state-level regulations, Puerto Rico requirements and implementation of industry best practices. Leveraging BuzzeoPDMA's depth of knowledge in the compliance category and our unsurpassed technologies in supporting compliance risk management, we help the industry to mitigate risk, remediate potential violations and stay ahead of the changing regulatory landscape.

In January 2005, **BuzzeoPDMA Inc.** was acquired by and became a division of Dendrite International, Inc., and then in May 2007, Dendrite was acquired by Cegedim. Combined we support the healthcare and pharmaceutical industry with over 8000 employees in over 75 offices around the world. BuzzeoPDMA is the regulatory business unit for Cegedim.

Our expert consultants are former senior level industry professionals, DEA, FDA, state regulatory and legal specialists, and IT security specialists.

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Actavis

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Project: SOM Statistical Model Development and Hosting “in the Cloud”

BuzzeoPDMA has previously developed and delivered a SOM statistical model to be incorporated into Actavis’ order management system but Actavis is considering having BuzzeoPDMA instead deploy a “cloud based” SOM statistical model using algorithms similar to the sophisticated and statistically based suspicious order identification algorithms that BuzzeoPDMA previously delivered. **Due the length of time since we developed the initial SOM Model for Actavis, and in order for the algorithms to run at peak efficiency (minimizing false positives), BuzzeoPDMA requires we complete a retunement of the previously supplied SOM model using more recent Actavis ordering data before moving to and launching the cloud solution.**

Using our Ph.D. statisticians and DEA consulting team, BuzzeoPDMA will develop a custom suspicious order monitor (SOM) statistical model that will be hosted “in the cloud” and based on Actavis’ order data (Actavis’ specific customers and products). The cloud based SOM model will enhance Actavis’ efforts to comply with DEA’s SOM requirement as detailed in Title 21 CFR Part 1301.74(b), Title 21 CFR Part 1310.05 (a) (1), and various DEA guidance memoranda. The cloud based SOM system will need to be “called” from Actavis’ existing order management system and will provide order status indications to determine whether orders should be shipped or held (“pending”) for further appraisal. Additionally, BuzzeoPDMA will provide a web-based order review and evaluation module that will allow Actavis’ compliance personnel to review and analyze details of pending orders so that defensible decisions can be made for clearing and shipping pending orders or alternatively reporting the order to DEA as a suspicious order.

BuzzeoPDMA support is a complex project that will result in a statistically sound SOM model for Actavis as a result of three major activities:

1. Extensive data review and analysis of Actavis’ existing order history data (so that historical ordering patterns, etc. can be fully understood and utilized in future order evaluations),
2. Modeling and development of a statistically viable and supportable SOM model based on this data, and
3. Deployment of the SOM model and order review and evaluation module in a cloud based environment.

This SOM project includes:

- Teleconference Discovery/Kickoff Meeting(s) - BuzzeoPDMA will meet via teleconference with Actavis for a discussion and assessment of the items needed to develop a defensible SOM model. This discovery meeting will include a thorough discussion and review of current processes, Actavis profiles, current IT systems, and order history and Customer insight. Additionally, the BuzzeoPDMA team will provide details of the model “call out” functionality so that appropriate planning can occur by Actavis’ IT team for the limited IT modification required to Actavis’ existing order management system.
- Development and deployment of a customized statistical based SOM model for Actavis “in the cloud.”
- Development and deployment of a web-based order review and evaluation module.
- Interaction with Actavis’ IT team during model development to ensure model interaction with your system is understood and planned for.
- Development of supporting documentation and justification.

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Assumptions:

- Actavis' IT group is responsible for minimal modification to Actavis' existing order management system. Specifically: 1) Construction of a simple secured https call to send each order to the BuzzeoPDMA system, and 2) A second secured https call to retrieve information from the BuzzeoPDMA system on orders that are within established criteria and may be cleared for release.
- BuzzeoPDMA's cloud system communicates exclusively via https calls originating from Actavis' order management system. Initially, the order is sent either individually or as part of a batch transfer. A secondary call from Actavis' system requests the status of all orders. If any other communication / data transfer process is required to be supported, details of the required process must be communicated to BuzzeoPDMA and if the alternate approach is supportable, additional costs may apply.
- No onsite time for this project is included in the project fees. All off-site discussions are supported within the project fees. If onsite time is requested and required, additional fees will apply.
- BuzzeoPDMA owns the intellectual property of its model and will provide Actavis a perpetual license during the lifetime of our support as part of our project fees.

Outside the Scope:

- BuzzeoPDMA recommends Actavis plan to have BuzzeoPDMA "retune" the model once a year by our statisticians based on potentially changing Customer ordering behavior. This ensures the model is optimally tuned for regulatory and operational efficiency. (The reason for the retunement is that the model is developed using historical data provided at the start of the design. When the model is implemented, a rolling history is used to calculate attributes. In this way, the SOM model is a dynamic system. However, the model coefficients are fixed – relating back to the original (supplied) data. See full model retunement description above.)
- BuzzeoPDMA recommends a SOM program comprised of five key program elements: 1) statistically based SOM model (this project), 2) appropriate due diligence and "know your customer" activities for existing and new customers, 3) appropriate review and/or investigations of pended orders, 4) SOM SOPs, and 5) Training. The project described in this write-up is for the first element of the five elements. BuzzeoPDMA can provide a proposal for the other elements of an effective SOM program if requested.
- Follow-up walk through prior to DEA inspection.
- On-site during any DEA inspection.

The following are reimbursable expenses:

Business expenses will include hotels, meals, rental car, airfare, mileage, parking, taxi, and postage, etc.

Tom Napoli
Actavis

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SOM Cloud Pricing Model for Actavis

	Fees	Comments
Migration cost (one-time charge) – Development and deployment of SOM cloud service, custom tailored to client’s unique customer and product base, previous ordering histories, etc.	\$39,500/one time	\$14,500 full model retunement to get data / model current with recent Actavis order history plus \$25,000 migration and deployment to the Cloud costs.
Ongoing Processing , quarterly charge – for performing and supporting the cloud-based order review and evaluation process	\$12,500/quarter (based on a 3-year agreement)	Replaces any current maintenance agreement.
Full Model “Retunement” (recommended at least once yearly to ensure SOM review is occurring in the most regulatory-compliant and business-efficient manner)	\$14,500/per retunement	Actavis will determine frequency and timing of these events after the initial required event.

Note: The above pricing above does not include a Part 11 Validation. BuzzeoPDMA can provide pricing to assist with a formal computer system validation if requested.

Optional Service: Setup SOM Cloud Based Testing Environment

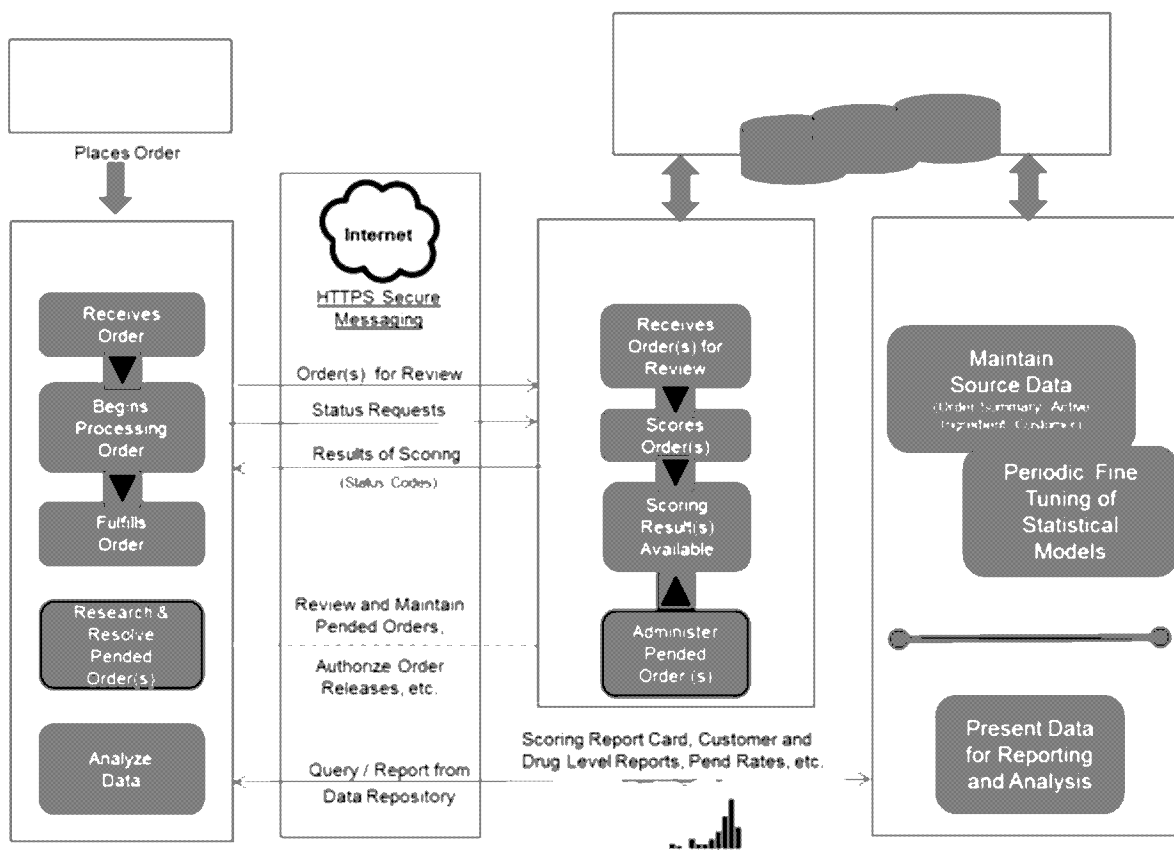
BuzzeoPDMA can setup a SOM Cloud Based testing environment that will allow Actavis to work through the SAP integration and HTTPS calls into our Cloud Based SOM. BuzzeoPDMA will create a test instance of its SOM Cloud environment for Actavis that will run similar to our Cloud demo site and without an actual SOM algorithm fully executing. (Again, the intent will be adding Actavis data interface implementation and testing.) This project fee includes phone support for technical questions and to assist Actavis with the SAP calls into our SOM test service. Once the SAP / SOM test integration is finalized, we would add in the back end to accept and respond to claims for final testing.

Program Fee: \$14,000 one-time fee.

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Actavis

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BuzzeoPDMA - SOM Cloud Service



The pricing is good for 60 days from the date of this proposal. If this proposal is acceptable, an addendum will be provided for your approval. Upon signing the addendum, you would be invoiced 50% of the project fee under "Migration Cost" upon contract signing with the remaining 50% due upon system deployment ("Go live"). If the Optional Testing Environment service is requested, you will be invoiced 50% upon contract signing and then the remaining 50% will be invoiced upon availability of the test environment. After system deployment ("Go live"), you will be invoiced in advance of each quarter for "Ongoing Processing" support. For future "Full Model Retunements", you will be invoiced in full at the initiation of each retunement project. Pricing is based on signing a three year agreement. There is a 4% annual escalator for all ongoing services.

All services are provided with your express and advance approval, consistent with industry practices and procedures. Our relationship with you is a partnership, maintaining high standards and professionalism in every aspect of business we conduct for you. Your operations are held in the strictest of confidentiality.

If you require any further information or clarification, please do not hesitate to contact me at 610-825-4349 or at paul.towhey@cegedim.com.

Sincerely,

Paul E Towhey

Paul E Towhey
Director of Sales
BuzzeoPDMA, a Cegedim Company



**Project Continuation Justification: SOM Statistical
Model Development and Hosting “in the Cloud”**

Thomas Napoli, CPP
Associate Director
Controlled Substance Compliance

This document is being submitted in support of the continuance of an important compliance related project concurrent with integration and SAP migration activities associated with the Allergan acquisition.

Overview

Through the use of a third-party vendor (Cegedim), implement a proprietary algorithm based software system used to detect and report suspicious orders of controlled substances for purposes of reporting to the DEA.

- The system will be compliant with Code of Federal Regulations SOM Requirements Controlled Substances – 21 CFR 1301.74(b) as well as December 2007 DEA memorandum.
- The system will identify customer orders that deviate substantially from their historic ordering patterns, size, frequency, drug cocktails, and customer type.
- The system will check every controlled substance order per line item placed by customers against as several separate parameters and will assign a “score” for each product line within an order.
- The score is based on a number of attributes (order qualities) which are independent variables that represent characteristics of the item in the order. The attributes are based on data calculated from a twelve month rolling history.
- The SOM model is based on controlled substances as measured in milligram amounts of active ingredient.
- When a customer order line item is identified and placed on hold within the system as an order of interest, an instantaneous email is sent to a trained employee for review and the entire product group (for which the held order belongs to) is restricted for the customer until the order is reviewed per standard operating procedures.
- The system will have capability of producing “reason codes” indicating likely cause for order pend.
- The system will present historical ordering data in a meaningful format, facilitating efficient review and disposition.

2/19/2015

Background

The SOM automation project initially commenced in 2011, with the primary goal of replacing our “threshold” based system with a CFR compliant model developed by Cegedim . This project was initiated in an effort to ensure compliance with Code of Federal Regulations SOM Requirements Controlled Substances – 21 CFR 1301.74(b) as well as December 2007 DEA memorandum. The regulations state that:

‘The registrant shall design and operate a system to disclose to the registrant suspicious orders of controlled substances. The registrant shall inform the Field Division Office of the Administration in his area of suspicious orders when discovered by the registrant. Suspicious Orders include orders of unusual size, orders deviating substantially from a normal pattern, and orders of unusual frequency.’

The December 2007 memorandum further clarifies:

“...a system that identifies orders as suspicious only if the total amount of a controlled substance ordered during one month exceeds the amount ordered the previous month by a certain percentage or more is insufficient.”

Based on this compliance need, Cegedim did in-fact develop and deliver a SOM statistical model to be incorporated into our order management system within SAP. Due to successive acquisition activities since project initiation, the implementation has been placed on hold at several junctures based on business integration needs. During the past several years, DEA has become more aggressive in its approach related to SOM/“Know your Customer,” taking action against a growing number of companies for having non-compliant SOM programs. In an effort to ensure compliance with the regulations, both the CS Compliance, Order Management teams have collaborated, making efforts to enhance compliance from customer vetting, order review/evaluation through Investigation/disposition. This manual effort is very labor intensive, as the current system is not configured with any analytical tools to support timely and accurate decision making. This approach also introduces the element of “human interaction” in the order evaluation process. Additionally, the current process can have an impact on the amount of time required to release a “pending” order that is under review, affecting customer service/Fill Rate levels.

Cloud Based Solution

Within the last two years, Cegedim began offering an automated “Cloud based” solution for SOM. After careful evaluation and vetting by the team, it was determined that this approach would be the best fit for us going forward. This approach provides the typical benefits of a cloud based solution, flexibility, scalability, minimal impact on existing ERP and IT resources (implementation/maintenance), and a pay as you go approach. In addition to these benefits, the cloud-based compliant system offers a robust analytical component for the efficient evaluation and disposition of controlled substance orders.

Based on this decision, Cegedim was asked to provide a proposal and plan to deploy a “cloud based” SOM statistical model using algorithms similar to the sophisticated and statistically based suspicious order identification algorithms that Cegedim previously delivered.

Project Overview

Cegedim has developed a suspicious order monitor (SOM) statistical model that will be hosted “in the cloud” and based on Actavis’ order data. The cloud based SOM model will enhance Actavis’ efforts to comply with DEA’s SOM requirement as detailed in Title 21 CFR Part 1301.74(b), Title 21 CFR Part 1310.05 (a) (1), and various DEA guidance memoranda. The cloud based SOM system will need to be “called” from Actavis’ existing SAP order management system and will provide order status indications to determine whether orders should be shipped or held (“pending”) for further appraisal. Additionally, Cegedim will provide a web-based order review and evaluation module that will allow Actavis’ compliance personnel to review and analyze details of pending orders so that defensible decisions can be made for clearing and shipping pending orders or alternatively reporting the order to DEA as a suspicious order.

This project will result in a statistically sound SOM model for Actavis as a result of three major activities:

1. Extensive data review and analysis of Actavis’ existing order history data (so that historical ordering patterns, etc. can be fully understood and utilized in future order evaluations),
2. Modeling and development of a statistically viable and supportable SOM model based on this data, and
3. Deployment of the SOM model and order review and evaluation module in a cloud based environment.

SOM project scope:

- Teleconference Discovery/Kickoff Meeting(s) - Cegedim will meet via teleconference with Actavis for a discussion and assessment of the items needed to develop a defensible SOM model. This discovery meeting will include a thorough discussion and review of current processes, Actavis profiles, current IT systems, and order history and Customer insight. Additionally, the Cegedim team will provide details of the model “call out” functionality so that appropriate planning can occur by Actavis’ IT team for the limited IT modification required to Actavis’ existing order management system.
- Development and deployment of a customized statistical based SOM model for Actavis “in the cloud.”
- Development and deployment of a web-based order review and evaluation module.
- Interaction with Actavis’ IT team during model development to ensure model interaction with your system is understood and planned for.
- Development of supporting documentation and justification.
- Development of automated SOM form within our current SAP environment

Assumptions:

- Actavis’ IT group is responsible for minimal modification to Actavis’ existing order management system based on documented requirements; Specifically: 1) Construction of a simple secured https call to send each order to the Cegedim system, and 2) A second secured https call to retrieve information from the Cegedim system, on orders that are within established criteria and may be cleared for release.
- Cegedim’s cloud system communicates exclusively via https calls originating from Actavis’ order management system. Initially, the order is sent either individually or as part of a batch transfer. A secondary call from Actavis’ system requests the status of all orders.

SOM Cloud Cost Model (Costs have not been reviewed/negotiated with Procurement)

	Fee	Comments
Migration cost (one-time charge) – Development and deployment of SOM cloud service, custom tailored to client's unique customer and product base, previous ordering histories, etc.	\$39,500/one time	\$14,500 full model retunement to get data / model current with recent Actavis order history plus \$25,000 migration and deployment to the Cloud costs.
Ongoing Processing , quarterly charge – for performing and supporting the cloud-based order review and evaluation process	\$12,500/quarter (based on a 3-year agreement)	Replaces any current maintenance agreement.
Full Model "Retunement" (recommended at least once yearly to ensure SOM review is occurring in the most regulatory-compliant and business-efficient manner)	\$14,500/per retunement	Actavis will determine frequency and timing of these events after the initial required event.

Alternatives to Cloud-Based SOM implementation

- Place project on hold and resume in 2016. This option is not recommended as we continue to assume compliance risk.

As a DEA registrant, Actavis is required to maintain compliance with the Controlled Substances Act and implementing regulations. Our commitment to preventing drug diversion is critical. We must ensure that effective controls are implemented throughout our manufacturing, testing, research & development, and supply chain processes to ensure that legitimate patients receive our medicines, and they are not diverted as a result of our day-to-day operations. Key among these effective controls is a statistically based automated SOM model at the center of a holistic program working in concert with appropriate customer due diligence, order review and investigations processes and policies. For this reason, it is important that the project to replace the threshold- based system with a statistically defensible, cloud- based model continue on the current track for implementation within 2015. The implementation of a cloud-based solution requires a minimal amount of IT integration and dedicated resources. Utilizing a team comprised of a project lead, two business process SME's (CS Compliance/Order Mgmt.) as well as dedicated IT business system analyst, this project can be successfully completed. The implementation, testing and acceptance of the cloud- based model within 2015 will also allow for a seamless transition to the legacy Allergan instance of SAP.